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C O N F I D E N T I A L SEOUL 001444

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TAGS: PGOV PREL KS

SUBJECT: FORMER PM HAN MYEONG-SOOK SEEKS TO UNDERSTAND U.S.
POSITION

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b,d).

SUMMARY

¶11. (C) Former Prime Minister and current presidential contender Han Myeong-sook met with the Ambassador over lunch on May 11. Han expressed optimism that the KORUS FTA maintained strong support in the National Assembly and may be ratified in the fall; legislators opposed to the FTA were in the minority. Economic collaboration with the North, such as the Kaesong Industrial Complex (KIC), was one of the most effective ways to ensure peace and help the North Korean people. Many Koreans view a North-South summit as a complement to the Six-Party Talks rather than a hindrance. She offered that one way the U.S. could begin to build trust with the DPRK was to remove the DPRK from the list of State Sponsors of Terrorism. Han said that in order to increase the likelihood of success, Japan should not try to link the abductees issue to the Six-Party Talks. On the domestic political front, Han said that the non-GNP parties will try to come together to form a united front against the GNP, much like the two-party system in the U.S. If the current pressure on the progressive candidates remained, Han said there was a good chance for the Uri party to come back together. END SUMMARY.

FTA RATIFICATION

¶12. (C) In a lunch meeting on May 11 with former Prime Minister Han Myeong-sook, Han expressed her hope that the National Assembly would take up the ratification of the KORUS FTA this fall, rather than waiting for the new ROK administration in the spring. She thought President Roh would want it approved on his watch, since it was part of his legacy. Han cautioned, however, that the FTA could become a political issue for some of the presidential candidates, especially those who would prefer later ratification. GNP frontrunner Lee Myung-bak had come out in favor of delaying ratification until next year so he could take some credit for the agreement. Support for the FTA remained strong as long as the GNP was in the majority in the National Assembly and some Uri members favored the agreement, while opponents to the FTA held little power. (COMMENT: Han's optimism about FTA passage this fall runs counter to the MOFAT view that ratification will likely come after the spring 2008

parliamentary elections. END COMMENT.)

OUTWARD PROCESSING ZONES

¶ 13. (C) Han noted that the KORUS FTA included a provision for the consideration of Outward Processing Zones (OPZ) in the future. Han noted that many in Korea interpreted this provision as a specific reference to support the Kaesong Industrial Complex (KIC) but recognized there was not an explicit connection. Economic collaboration could be a strong force to help establish peace on the Peninsula and OPZs would play a significant role in that regard. Closer economic ties with North Korea would also keep China in check as it worked to monopolize resources in the DPRK. The Ambassador agreed that inclusion of the OPZ provision was a good solution for the FTA. While the U.S. was not willing to include the KIC in the FTA, the OPZ clause established a framework for considering the move in the future, based on the agreed criteria. The U.S. agreed the KIC could help promote reform in the DPRK, but labor and other concerns precluded inclusion in the FTA at this point.

DENUCLEARIZATION MUST COME FIRST

¶ 14. (C) The Ambassador noted that the denuclearization of the DPRK should go hand-in-hand with their pursuit of normalization of relations with the U.S. and negotiations to establish a permanent peace regime. Denuclearization remained the key for success on the other tracks. (NOTE: Some Korean media erroneously reported on May 11 that the

U.S. supported the idea of a four-party summit at the September APEC meeting in Australia to discuss establishing a peace regime. END NOTE.) In addition to other efforts designed to build trust between the U.S. and the DPRK, such as removing sanctions against the DPRK, Han suggested that the U.S. remove the DPRK from the list of State Sponsors of Terrorism.

NORTH-SOUTH SUMMIT COULD HELP

¶ 15. (C) Many Koreans felt that a North-South summit could help promote progress in the 6PT and denuclearization of the DPRK, Han said. Since the U.S. came out and said that ROK support for the North should remain a "half-step" behind the 6PT, some Koreans were concerned this might slow rapprochement efforts. Korea, rather, was hoping for a "synergy" effect between the two. The Ambassador noted that the "half-step" notion was a ROKG theme that had often been voiced to the Ambassador and senior USG officials by ROKG interlocutors. Given the limited amount of leverage that other parties have on the DPRK, everyone needed to be wise in how available carrots and sticks were used. If a North-South summit occurred, the U.S. would hope to see substantive progress on denuclearization and not merely symbolic gestures.

KEEP JAPANESE ABDUCTEES SEPARATE FROM 6PT

¶ 16. (C) Han said that the Japanese should not directly link the abductees issue to the broader denuclearization goal of the 6PT. By linking the two issues, Japan ran the risk of negatively impacting the major goal of denuclearization. Many people in Korea did not agree with Japan's approach, especially if it hinders progress in the 6PT. According to Han, given Japan's 36 years of colonial rule and recent "ambiguous" statements about Comfort Women, Koreans did not think it was right for Japan to link the abductees issue to the 6PT.

FUTURE OF THE URI PARTY

¶ 7. (C) According to Han, the Korean people are looking for a "change-oriented" government. When asked how the progressive candidates were likely to align themselves in the coming months, Han said that the non-GNP candidates were in a crisis. At the Uri National Convention, delegates promised to form an integrated party that would lead to a two-party system (GNP and non-GNP), much like the Republican and Democratic structure in the U.S. The first priority was to form a unified party. If that was not possible, they would seek to identify a single candidate to represent the non-GNP perspective. As long as there was pressure to unite, the candidates were likely to ultimately form a coalition.

¶ 8. (C) When asked if former GNP member Sohn Hak-kyu was among the figures who could be the unifying force of the progressives, Han expressed doubt that he had the requisite energy to bring the various candidates together. Additionally, given the importance Korean people attach to loyalty, Sohn was not likely to garner strong public support after his departure from the GNP party in March.

DON'T MISS OUT

¶ 9. (C) Han noted that some fellow Uri party lawmakers recently traveled to Pyongyang and reported that the DPRK appreciated U.S. efforts to help resolve the Banco Delta Asia (BDA) issue. She added her personal encouragement for continued patience with the DPRK in order to resolve BDA and eventually move on to the other phases of the February 13 Initial Actions Agreement. As soon as BDA was resolved, Han said that she expected "rapid progress" in the next phase and looked forward to a six-party ministerial meeting.

¶ 10. (C) The Ambassador noted that the U.S. had done all that was required to resolve BDA, and more. Much time had been wasted and the DPRK should not miss out on the chance to make an historic deal during President Bush's term in office -- a deal that would enjoy bipartisan support. Han agreed that the time was right for the U.S. and the DPRK to work toward a deal and the ROK should collaborate closely to assist where possible.

VERSHBOW